

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – MAY 19, 2020
TELECONFERENCE – 3:00 P.M.**

CFAC conducted this meeting in accordance with Section 3 of California Governor Newson's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

MEMBERS PRESENT:	John Martin	Chair
	Barbara Spagnola	Vice-Chair
	Bart Beckman	Member
	Lois Johnson	Member
	Tina Wener	Member
	Homer Alexander	Member
	Bill Bowes	Member
STAFF PRESENT:	Jennifer Callaway	Finance Director
	Scott Collins	City Manager
	Eric Casares	Project Manager
	Jody Cox	Police Chief
	Sandra Martin	Budget/Accounting Manager
	Tracy McConnell	Account Clerk III

ESTABLISH A QUORUM AND CALL TO ORDER

<https://youtu.be/CMPmwTHedTA?t=29>

Chair Martin called the meeting to order at 3:00 p.m., with 7 members present.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

None

STAFF ANNOUNCEMENTS

None

PUBLIC COMMENT PERIOD

<https://youtu.be/CMPmwTHedTA?t=129>

Carol Truesdale, Morro Bay, raised questions regarding Item B2.

Dan Sedley, Morro Bay, expressed concerns regarding the increase in costs associated with the building of the WRF.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE APRIL 21, 2020 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING.

<https://youtu.be/CMPmwTHedTA?t=539>

MOTION: Member Bowes moved to approve A-1. Member Johnson seconded.
Motion carried 7-0.

B. BUSINESS ITEMS

1. BRIEF WRF QUARTERLY UPDATE REPORT (FINANCE DIRECTOR)

<https://youtu.be/CMPmwTHedTA?t=4541>

Project Manager Casares gave a presentation and answered committee questions.

Public Comment:

Dan Sedley, Morro Bay, addressed questions to the board regarding the component of the approximate \$6 million increase to Black & Veatch for the delay.

Chair Martin closed public comment.

MOTION: Member Bowes moved to approve the Microsoft project management schedule with updated additional milestones between now and the end of the project and updated frequently and shared with the City. Member Beckman seconded. Motion carried 4-3 by roll call vote with Vice Chair Spagnola, and Members Johnson and Alexander opposed.

2. DISCUSSION AND INPUT ON THE DRAFT PROPOSED FY 2020/21 OPERATING BUDGET; (FINANCE DIRECTOR)

<https://youtu.be/CMPmwTHedTA?t=715>

Director Callaway reported the effects of COVID on the Operating Budget and gave a presentation of the proposed budget with those effects considered. Committee discussion ensued and questions were answered.

Public Comment:

Carole Truesdale, Morro Bay, praised the Finance Director's report and revisited the question about revenue options for the public and council to consider and Transient Occupancy Tax projections. Director Callaway answered Ms. Truesdale's questions.

Chair Martin closed public comment.

MOTION: Member Beckman moved to approve to recommend allocating funds across two fiscal years up to \$15,000 to bring an officer on board to replace someone retiring on July 9, 2020. Member Johnson seconded. Motion carried 7 – 0.

MOTION: Member Alexander moved to approve the proposed preliminary draft of the general fund budget and thanked staff for doing a terrific job putting it together considering the environment. The Finance Committee did not have the opportunity to review the enterprise funds or capital improvement budgets. Member Bowes seconded. Motion carried 7 – 0.

C. FUTURE AGENDA ITEMS

<https://youtu.be/CMPmwTHedTA?t=9559>

The following items were addressed as future agenda items:

1. Water Reclamation Facility (WRF) Quarterly Report
2. 3rd Quarter Investment Report
3. Adopted 2020/21 budget for review
4. Finance Director and Project Manager Casares review process and procedures of reimbursement from Federal Government and State Government to the City
5. Additional CFAC Roles

D. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for July 21, 2020 at 3:00 pm.

E. ADJOURNMENT

The meeting adjourned at 5:46 pm

Recorded by:
Tracy McConnell